

CHUBB®

NOTICE

Policy Period: MAY 01, 2019 to MAY 01, 2020

Effective Date: MAY 01, 2019

Policy Number: 7993-60-33

Insured Name: JUJAMCYN THEATERS, LLC

Issue Date: MAY 8, 2019

**NOTICE: THESE POLICY FORMS AND THE
APPLICABLE RATES ARE EXEMPT FROM THE FILING
REQUIREMENTS OF THE NEW YORK STATE INSURANCE
LAW AND REGULATIONS. HOWEVER, THE FORMS AND
RATES MUST MEET THE MINIMUM STANDARDS OF THE
NEW YORK INSURANCE LAW AND REGULATIONS.**

CLASS: 2 RISK
STATISTICAL CODE: 2-14160



IMPORTANT NOTICE TO POLICYHOLDERS

TERRORISM RISK INSURANCE ACT

This Important Notice is being provided with your policy to further satisfy the disclosure requirements of the Terrorism Risk Insurance Act.

At the time you received the written offer for this policy, we provided you with an Important Notice to Policyholders indicating that the insurance provided in your policy for losses caused by certain acts of terrorism (as defined in the Terrorism Risk Insurance Act) would be partially reimbursed by the United States of America, pursuant to the formula set forth in the Terrorism Risk Insurance Act. In addition, as required by the Terrorism Risk Insurance Act, we:

- indicated that we would make available insurance for such losses in the same manner as we provide insurance for other types of losses;
- specified the premium we would charge, if any, for providing such insurance; and
- except to the extent prohibited by law, gave you the opportunity to reject such insurance and have a terrorism exclusion, sublimit or other limitation included in your policy.

This Important Notice refers back to that Important Notice and provides information about your decision and the manner in which your policy has been subsequently modified.

If:

- You rejected terrorism insurance under the Terrorism Risk Insurance Act, your policy includes the appropriate amendatory endorsement(s).
- You did not reject terrorism insurance under the Terrorism Risk Insurance Act, the premium charged for your policy, including that portion applicable to terrorism insurance under the Terrorism Risk Insurance Act, is shown in your policy. To the extent your policy includes a limitation on terrorism insurance, it has been modified so that such limitation does not apply to terrorism insurance under the Terrorism Risk Insurance Act.

Please carefully review your policy and the Important Notice previously provided to you for further details. Please remember that only the terms of your policy establish the scope of your insurance protection.

Please note that if your policy:

- *provides commercial property insurance in a jurisdiction that has a statutory standard fire policy, the premium we charge for terrorism insurance under the Terrorism Risk Insurance Act, includes an amount attributable to the insurance provided pursuant to that standard fire policy. Rejection of such statutory insurance is legally prohibited.*
- *is a workers compensation policy, rejection of insurance for terrorism is legally prohibited.*

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



IMPORTANT NOTICE TO POLICYHOLDERS

This Important Notice is not your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered. Only the provisions of your policy determine the scope of your insurance protection.

THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS.

PLEASE READ THIS NOTICE CAREFULLY.

Various trade or economic sanctions and other laws or regulations prohibit us from providing insurance in certain circumstances. For example, the United States Treasury Department's Office of Foreign Asset Control (OFAC) administers and enforces economic and trade sanctions and places restrictions on transactions with foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers. OFAC acts pursuant to Executive Orders of the President of the United States and specific legislation, to impose controls on transactions and freeze foreign assets under United States jurisdiction. (To learn more about OFAC, please refer to the United States Treasury's web site at <http://www.treas.gov/ofac>.)

To the extent that you or any other insured, or any person or entity claiming the benefits of this insurance has violated any applicable sanction laws, this insurance will not apply.



POLICYHOLDER NOTICE

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the Producer Compensation link located at the bottom of the page at www.chubb.com, or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.

CHUBB®

ENTERTAINMENT

***PROPERTY INSURANCE
FOR THE
PERFORMING ARTS POLICY***

FOR

JUJAMCYN THEATERS, LLC

Producer:

AON ALBERT G RUBEN INSURANCE SERVICES INC.
15303 VENTURA BLVD #1200
SHERMAN OAKS, CA 91403-0000

Chubb Servicing Office:

NEW YORK CITY
1133 AVENUE OF THE AMERICAS

NEW YORK, NY 10036

CHUBB®

**Property Insurance For The
Performing Arts**

Insuring Agreement

**Chubb Group of Insurance Companies
PO BOX 1600
Whitehouse Station, NJ 08889-1600**

Named Insured and Mailing Address

JUJAMCYN THEATERS, LLC

246 W 44TH ST
NEW YORK, NEW YORK
10036

Policy Number (19) 7993-60-33

Effective Date MAY 01, 2019

*Issued by the stock insurance company
indicated below, herein called the
company.*

**PACIFIC INDEMNITY
COMPANY**

Producer No. 0054359

*Incorporated under the laws of
WISCONSIN*

Producer AON ALBERT G RUBEN INSURANCE SERVICES INC.
15303 VENTURA BLVD #1200
SHERMAN OAKS, CA 91403-0000

Company and Policy Period

Insurance is issued by the company in consideration of payment of the required premium.

This policy is issued for the period 12:01 AM standard time at the **Named Insured's** mailing address shown above:

From: MAY 01, 2019 To: MAY 01, 2020

Your acceptance of this policy terminates, effective with the inception of this policy, any prior policy of the same number issued to you by us.

This Insuring Agreement together with the Schedule of Forms, Declarations, Contract and Endorsements comprise this policy. If this policy is a renewal, we have only reissued to you those policy documents containing changes from your previous policy period coverages and any new additional coverages or policy provisions. All other policy documents continue in effect.

In Witness Whereof the company issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the company.

PACIFIC INDEMNITY COMPANY (incorporated under the laws of Wisconsin)



President



Secretary

Authorized Representative



CHUBB®**Property Insurance For The Performing Arts****Declarations**

Chubb Group of Insurance Companies
PO BOX 1600
Whitehouse Station, NJ 08889-1600

Named Insured and Mailing Address (Item 1):

JUJAMCYN THEATERS, LLC

246 W 44TH ST
 NEW YORK, NEW YORK
 10036

Policy Number: (19) 7993-60-33

Effective Date: MAY 01, 2019

Issued by the stock insurance company indicated below, herein called the company.

**PACIFIC INDEMNITY
 COMPANY**

Producer No.: 0054359

Incorporated under the laws of WISCONSIN

Producer: AON ALBERT G RUBEN INSURANCE SERVICES INC.
 15303 VENTURA BLVD #1200
 SHERMAN OAKS, CA 91403-0000

Policy Period (Item 2)

From: MAY 01, 2019 **To:** MAY 01, 2020
 12:01 A.M. standard time at the Named Insured's mailing address shown above.

Total Deposit Premium: \$ 21,150.00

Coverages (Item 3)

Insurance is afforded only with respect of those coverages specified by a premium charge or in schedules incorporated herein:

COVERAGE	LIMIT OF LIABILITY (EACH LOSS)	DEDUCTIBLE/ WAITING PERIOD	PREMIUM
Theatrical Property	NOT COVERED	NOT COVERED	NOT COVERED
Personal Property Of Employees	NOT COVERED	NOT COVERED	NOT COVERED
Performance Disruption	\$ 250,000	72 HOURS	INCLUDED

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Schedule of Forms

Policy Number: (19) 7993-60-33
 Insured: JUJAMCYN THEATERS, LLC

Policy Period From: MAY 01, 2019 to MAY 01, 2020

The following is a schedule of forms issued with the policy at inception:

Form Name	Form Number
NEW YORK FREE TRADE ZONE - NOTICE	10-02-0990 (01/12)
IMPORTANT NOTICE - OFAC	99-10-0796 (09/04)
AOD POLICYHOLDER NOTICE	99-10-0872 (06/07)
PERFORMING ARTS DECLARATIONS	10-02-1070 (08/01)
PERFORMANCE DISRUPTION - ENTERTAINMENT	10-02-1065 (08/01)
GENERAL PROVISIONS	80-02-1030 (02/98)
COMMON POLICY CONDITIONS	80-02-9090 (07/03)
COMPLIANCE WITH APPLICABLE TRADE SANCTION LAW	10-02-1467 (01/04)
LOSS PAYEE ENDORSEMENT	10-02-0460 (09/93)
MANUSCRIPT	10-02-1071 (08/01)
CAP ON CERTIFIED TERRORISM LOSSES	10-02-1305 (12/07)

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Property Insurance

General Provisions

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General Provisions

Contract

Exclusions

WHEN USED WITH RESPECT TO THE PROPERTY CONTRACTS FORMING A PART OF THIS POLICY, THE APPLICABLE EXCLUSIONS LISTED IN SUCH CONTRACTS ARE DESCRIBED AS FOLLOWS:

Accounting

This insurance does not apply to accounting, mathematical or record-keeping errors.

Acts Or Decisions

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This Acts or Decisions exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Audit

This insurance does not apply to loss or damage disclosed by an audit or inventory count. In the event the loss or damage is established by independent means, you may use an audit or inventory count to support your claim for that loss.

Bookkeeping

This insurance does not apply to bookkeeping, accounting or billing errors or omissions.

Books And Records

This insurance does not apply to loss or damage to manuscripts, records, accounts, media, microfilm or tapes.

Business Errors

This insurance does not apply to loss or damage to **building, personal property, personal property of employees, outdoor trees, shrubs, plants or lawns, electronic data processing property, building or renovations under construction** or research and development property caused by or resulting from error in the:

- alteration;
- distribution;
- installation;
- manufacturing;
- maintenance;
- processing;
- repair;
- research or development; or
- testing,

of that **building, personal property, personal property of employees, outdoor trees, shrubs, plants or lawns, electronic data processing property, building or renovations under construction** or research and development property.

Exclusions

WHEN USED WITH RESPECT TO THE PROPERTY CONTRACTS FORMING A PART OF THIS POLICY, THE APPLICABLE EXCLUSIONS LISTED IN SUCH CONTRACTS ARE DESCRIBED AS FOLLOWS:

Business Errors
(continued)

This Business Errors exclusion does not apply to loss or damage that results to other covered **building, personal property, personal property of employees, outdoor trees, shrubs, plants or lawns, electronic data processing property, building or renovations under construction or research and development property.**

Collapse Or Collision Of Booms Or Jibs

This insurance does not apply to loss or damage caused by or resulting from collapse or collision of booms or jibs, unless directly caused by or resulting from fire or lightning, wind or hail, riot or civil commotion, **flood**, earthquake or collapse of a building.

Consequential Loss

UNDER THE MONEY AND SECURITIES CONTRACT:

This insurance does not apply to loss of income, interest or dividends.

UNDER THE LEASEHOLD INTEREST CONTRACT:

This insurance does not apply to any other consequential loss.

Disappearance

This insurance does not apply to loss or damage caused by or resulting from disappearance or shortage disclosed on taking inventory, where there is no physical evidence to show what happened.

This Disappearance exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Dishonesty

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest or criminal acts or omissions committed alone or in collusion with others by you, your partners, directors, trustees, employees, anyone performing acts coming within the scope of the usual duties of your employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This Dishonesty exclusion does not apply to:

- A. acts of vandalism;
- B. acts committed by carriers or warehousemen for hire or anyone claiming to be a carrier or warehouseman for hire, other than:
 - 1. you, your partners, directors, trustees and employees;
 - 2. anyone performing acts coming within the scope of the usual duties of your employees; or
 - 3. anyone authorized to act for you; or
- C. ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Earthquake

This insurance does not apply to loss or damage caused by or resulting from earthquake, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;



General Provisions

Exclusions

WHEN USED WITH RESPECT TO THE PROPERTY CONTRACTS FORMING A PART OF THIS POLICY, THE APPLICABLE EXCLUSIONS LISTED IN SUCH CONTRACTS ARE DESCRIBED AS FOLLOWS:

Earthquake (continued)

- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This Earthquake exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Electric Breakdown

This insurance does not apply to loss or damage caused by or resulting from electric breakdown.

Errors In Systems Programming

This insurance does not apply to loss or damage caused by or resulting from:

A. errors or omissions in the development of, programming of, or instructions to:

1. software;
2. **electronic data processing equipment;**
3. a machine;
4. **telephone equipment;** or

B. **electronic data processing media** which is faulty, inadequate or defective for the use intended at the time of loss or damage.

This Errors In Systems Programming exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Expenses

This insurance does not apply to any fees, costs or expenses you incur or pay:

- in establishing the existence or the amount of any loss or damage; or
- in prosecuting or defending any legal proceeding or claim, whether or not any such proceeding results or would result in a loss or damage covered under this insurance.

Fire To Property Of Others

This insurance does not apply to loss or damage caused by or resulting from fire to property of others that you hold as a pledge or as collateral.

Flood

This insurance does not apply to loss or damage caused by or resulting from:

- waves, tidal water or tidal waves; or
- rising, overflowing or breaking of any boundary,

of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans or any other body of water or watercourse, whether driven by wind or not, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;

Exclusions**Flood**
(continued)

WHEN USED WITH RESPECT TO THE PROPERTY CONTRACTS FORMING A PART OF THIS POLICY, THE APPLICABLE EXCLUSIONS LISTED IN SUCH CONTRACTS ARE DESCRIBED AS FOLLOWS:

- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This Flood exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Forgery

This insurance does not apply to loss or damage caused by or resulting from forgery.

Governmental Action

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental authority, whether de jure or de facto regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This Governmental Action exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental authority:

- A. when taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance; or
- B. if the act of destruction is made necessary by direct physical loss or damage to:
 1. **electronic data processing property or personal property while in transit**; or
 2. a conveyance in or on which **electronic data processing property or personal property while in transit** is loaded,
 caused by or resulting from a peril not otherwise excluded.

Inherent Vice/Latent Defect

This insurance does not apply to loss or damage caused by or resulting from inherent vice or latent defect.

This Inherent Vice/Latent Defect exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Insects Or Animals

This insurance does not apply to loss or damage caused by or resulting from nesting or infestation by, or discharge or release of waste products or secretions of:

- insects;
- birds;
- rodents; or
- other animals.



General Provisions

Exclusions

WHEN USED WITH RESPECT TO THE PROPERTY CONTRACTS FORMING A PART OF THIS POLICY, THE APPLICABLE EXCLUSIONS LISTED IN SUCH CONTRACTS ARE DESCRIBED AS FOLLOWS:

Insects Or Animals (continued)

This Insects or Animals exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Kidnap/Ransom Or Extortion

This insurance does not apply to loss or damage caused by or resulting from kidnap/ransom or other extortion payments surrendered to any person as a result of a threat to do:

- bodily harm to any person; or
- damage to the premises or other property owned by you or held by you in any capacity.

This Kidnap/Ransom or Extortion exclusion does not apply to **robbery of money or securities**.

Loss Of Market

This insurance does not apply to loss or damage caused by or resulting from loss of market, loss of use or delay.

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This Nuclear Hazard exclusion does not apply to ensuing loss or damage caused by or resulting from fire, if the fire would be covered under this insurance.

Planning, Design, Materials Or Maintenance

This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective:

- planning, zoning, development, surveying, siting;
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation or remodeling; or
- maintenance,

of part or all of any property on or off the premises shown in the Declarations.

This Planning, Design, Materials or Maintenance exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Exclusions
(continued)

WHEN USED WITH RESPECT TO THE PROPERTY CONTRACTS FORMING A PART OF THIS POLICY, THE APPLICABLE EXCLUSIONS LISTED IN SUCH CONTRACTS ARE DESCRIBED AS FOLLOWS:

Pollutants

This insurance does not apply to:

- A. loss or damage caused by or resulting from the mixture of or contact between property and a **pollutant** when such mixture or contact causes the property to be impure and harmful to:

1. itself or other property;
2. persons, animals or plants;
3. land, water or air; or
4. any other part of an environment,

either inside or outside of a building or other structure. This exclusion applies regardless of any other cause or event that directly or indirectly:

1. contributes concurrently to;
2. contributes in any sequence to; or
3. worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

But paragraph A does not apply to:

1. the mixture of or contact between property and **pollutants** if the mixture or contact is directly caused by or directly results from a **specified peril**;
2. the mixture of or contact between property you own, use or operate and **pollutants** if:
 - a. the **pollutants** were part of or emitted from such property; and
 - b. the mixture of or contact between such property and **pollutants** is directly caused by or directly results from direct physical loss or damage to such property directly caused by or directly resulting from a peril not otherwise excluded;

This paragraph does not apply to loss or damage involving asbestos unless such loss or damage is caused by or results from a gas, water or other liquid that escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground storage tanks, underground piping or underground tubing) provided such gas, water or other liquid is intended to be contained in such processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems;

3. a gas, water or other liquid that escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground storage tanks, underground piping or underground tubing) provided such gas, water or other liquid is intended to be contained in such processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems;
4. any solid, liquid or gas used to suppress fire;



General Provisions

Exclusions

WHEN USED WITH RESPECT TO THE PROPERTY CONTRACTS FORMING A PART OF THIS POLICY, THE APPLICABLE EXCLUSIONS LISTED IN SUCH CONTRACTS ARE DESCRIBED AS FOLLOWS:

Pollutants (continued)

5. water that:
 - a. backs up or overflows through sewers, drains or sump;
 - b. seeps or leaks through basements, foundations, roofs, walls, floors or ceilings of any building or other structure; or
 - c. enters doors, windows or other openings in any building or other structure.

Paragraphs 2 through 4 immediately above do not apply to loss or damage involving:

1. radon or any other naturally occurring gaseous irritant or contaminant;
2. organisms or microorganisms, including bacteria, fungus, mold, or their spores or products; or
3. viruses or other pathogens; or

- B. any increase in costs, loss or damage associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

But paragraph B does not apply to the Additional Coverage, Pollutant Cleanup Or Removal.

Repair, Restoration Or Retouching

This insurance does not apply to loss or damage caused by or resulting from repair, restoration or retouching.

Rust

This insurance does not apply to loss or damage caused by or resulting from rust, oxidation, corrosion or discoloration.

This Rust exclusion does not apply to ensuring loss or damage caused by or resulting from a **specified peril**.

Settling

This insurance does not apply to loss or damage caused by or resulting from settling, cracking, shrinking, bulging or expansion of paved or concrete surfaces, foundations, walls, floors, roofs, ceilings and swimming pools.

This Settling exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Exclusions*(continued)*

WHEN USED WITH RESPECT TO THE PROPERTY CONTRACTS FORMING A PART OF THIS POLICY, THE APPLICABLE EXCLUSIONS LISTED IN SUCH CONTRACTS ARE DESCRIBED AS FOLLOWS:

Surrendering

This insurance does not apply to loss or damage caused by or resulting from the giving or surrendering of **money** or **securities** in any exchange or purchase.

Suspension, Lapse Or Cancellation Of Any License

This insurance does not apply to loss or damage caused by or resulting from the suspension, lapse or cancellation of any license.

Voluntary Parting

This insurance does not apply to loss or damage caused by or resulting from voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

This Voluntary Parting exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
- warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- insurrection, rebellion, revolution, usurped power or action taken by governmental authority, whether de jure or de facto in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or deterioration.

This Wear and Tear exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Weight Load

This insurance does not apply to loss or damage caused by or resulting from the weight of a load exceeding the manufacturer's rated lifting capacity as specified in load charts, brochures and/or manuals published by the manufacturer.



General Provisions

Loss Payment Basis

THE FOLLOWING LOSS PAYMENT PROVISIONS APPLY TO ALL CONTRACTS CONTAINED WITHIN THE PROPERTY INSURANCE SECTION OF THIS POLICY, EXCEPT CARE, CUSTODY OR CONTROL LEGAL LIABILITY, OR AS OTHERWISE STATED.

Subject to the applicable Limit Of Insurance shown in the Declarations:

- A. Covered property is valued on a replacement cost basis as described below, unless:
 - 1. the Loss Payment Basis shown in the Declarations or below is actual cash value; or
 - 2. otherwise stated under Loss Payment Basis Exceptions; and
- B. **contractors' equipment** is valued on an actual cash value basis as described below, unless:
 - 1. the Loss Payment Basis shown in the Declarations is replacement cost; or
 - 2. otherwise stated under Loss Payment Basis Exceptions; and
- C. valuation also includes, for:
 - 1. **building or personal property**, costs you incur as described below under Ordinance Or Law, Construction Fees, Brands And Labels and Extended Warranties;
 - 2. **electronic data processing equipment or telephone equipment**, costs you incur as described below under Extended Warranties;
 - 3. **building or renovations under construction**, costs you incur as described below under Ordinance Or Law, Construction Fees and Extended Warranties;
 - 4. **contractors' equipment**, costs you incur as described below under Extended Warranties; and
 - 5. **personal property while in transit**, general average and salvage charges you incur on covered waterborne shipments of **personal property**.

For **personal property of employees**, we will not pay more than the amount for which you are legally liable.

Our Loss Payment Options

In the event of loss or damage covered by this insurance, at our option we will either:

- pay the covered value of the lost or damaged covered property;
- pay the cost of repairing or replacing the lost or damaged covered property plus any reduction in value of the repaired item;
- take all or any part of the covered property at an agreed or appraised value; or
- repair or replace the covered property with other such property of comparable material and quality for the same use or occupancy.

Loss Payment Basis
(continued)

THE FOLLOWING LOSS PAYMENT PROVISIONS APPLY TO ALL CONTRACTS CONTAINED WITHIN THE PROPERTY INSURANCE SECTION OF THIS POLICY, EXCEPT CARE, CUSTODY OR CONTROL LEGAL LIABILITY, OR AS OTHERWISE STATED.

Replacement Cost Basis

Lost or damaged covered property will be valued at the cost to repair or replace such property at the time of loss or damage, but not more than you actually spend to repair or replace such property at the same or another location for the same use or occupancy. There is no deduction for physical deterioration or depreciation.

If you replace the lost or damaged **building, personal property, electronic data processing property or building or renovations under construction**, the valuation will include customs duties incurred.

If you do not repair or replace the covered property, we will only pay as provided under Actual Cash Value Basis.

If you commence the repair or replacement of the lost or damaged covered property within 24 months from the date of the loss or damage, we will pay you the difference between the actual cash value previously paid and the lesser of the replacement cost at the time of:

- loss or damage; or
- actual replacement.

If the Loss Payment Basis shown in the Declarations for **contractors' equipment** is replacement cost basis, valuation for **contractors' equipment** will be in accordance with the replacement cost basis for **personal property**.

Actual Cash Value Basis

If the Loss Payment Basis shown in the Declarations is actual cash value, lost or damaged covered property will be valued at the cost to repair or replace such property at the time of loss or damage with material of like kind and quality, less allowance for each of the following:

- physical deterioration;
- physical depreciation;
- obsolescence; and
- depletion.

Contractors' equipment is valued on an actual cash value basis as described above, unless the Loss Payment Basis shown in the Declarations is replacement cost.

Ordinance Or Law

If there is an ordinance or law in effect at the time of loss or damage that regulates zoning, land use or construction of a **building, personal property or building or renovations under construction**, and if that ordinance or law affects the repair or replacement of the lost or damaged **building, personal property or building or renovations under construction**, and if you:

- A. repair or replace the **building, personal property or building or renovations under construction** as soon as reasonably possible, the valuation will include:



General Provisions

Loss Payment Basis

THE FOLLOWING LOSS PAYMENT PROVISIONS APPLY TO ALL CONTRACTS CONTAINED WITHIN THE PROPERTY INSURANCE SECTION OF THIS POLICY, EXCEPT CARE, CUSTODY OR CONTROL LEGAL LIABILITY, OR AS OTHERWISE STATED.

Ordinance Or Law (continued)

1.
 - a. the replacement cost of the damaged and undamaged portions of the **building, personal property or building or renovations under construction**; or
 - b. the actual cash value of the damaged and undamaged portions of the **building, personal property or building or renovations under construction** (if the applicable Loss Payment Basis shown in the Declarations is actual cash value);
2. the costs to demolish and clear the site of the undamaged portion of the **building, personal property or building or renovations under construction**; and
3. the increased cost to repair or replace the **building or building or renovations under construction** to the same general size or **personal property** for the same general use, to the minimum standards of such ordinance or law, except we will not include any costs:
 - a. for land, water or air, either inside or outside of a **building**;
 - b. for paved or concrete surfaces, retaining walls, foundations or supports below the surface of the lowest floor or basement, unless specifically covered by this policy, or **outdoor trees, shrubs, plants or lawns**;
 - c. incurred outside the legal property boundary of the premises shown in the Declarations;
 - d. if **building, personal property or building or renovations under construction** is valued on an actual cash value basis; or
 - e. for any ordinance or law that you were required to, but failed to, comply with before the loss; or
- B. do not repair or replace the **building, personal property or building or renovations under construction**, the valuation will include:
 1. the actual cash value of the damaged and undamaged portions of the **building, personal property or building or renovations under construction**; and
 2. the cost to demolish and clear the site of the undamaged portion of the **building, personal property or building or renovations under construction**.

When direct physical loss or damage is caused by or results from both:

- a peril not otherwise excluded; and
- an excluded peril,

the valuation will not include the Ordinance Or Law costs attributable to the excluded peril. Instead, the valuation will be based on that portion of such costs equal to the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage, not including Ordinance Or Law costs, unless the Ordinance Or Law applies solely to that portion of the **building, personal property or building or renovations under construction** which suffered the covered direct physical loss or damage.

Loss Payment Basis

THE FOLLOWING LOSS PAYMENT PROVISIONS APPLY TO ALL CONTRACTS CONTAINED WITHIN THE PROPERTY INSURANCE SECTION OF THIS POLICY, EXCEPT CARE, CUSTODY OR CONTROL LEGAL LIABILITY, OR AS OTHERWISE STATED.

Ordinance Or Law
(continued)

The valuation will not include any costs for undamaged **tenant's improvements and betterments** that are payable under the Additional Coverage for Leasehold Interest - Undamaged Tenant's Improvements and Betterments.

Construction Fees

Building, personal property and **building or renovations under construction** valuation includes necessary and incurred architectural, engineering, consulting, decorating and supervisory fees related to the construction and repair of the lost or damaged **building, personal property** and **building or renovations under construction**.

Brands and Labels

Personal property valuation includes the cost of:

- replacing labels, capsules, wrappers or containers from damaged **personal property**; or
- identifying and reconditioning damaged **personal property**.

In the event of damage to **stock**, you have two options when:

- you do not want to sell your damaged **stock** under your brand or label; or
- the owner of any damaged **stock** in your care, custody or control does not want to sell that damaged **stock** under the owner's brand or label;

even though the damaged **stock** has salvage value, you may:

- remove the brand or label and then relabel the damaged **stock** to comply with the law; or
- label the damaged **stock** as "salvage" but, in doing so, cause no further damage to the **stock**.

In either case, the **personal property** valuation will include the difference between:

- the salvage value of the damaged **stock** with the brand or label attached; and
- the salvage value of the damaged **stock** with the brand or label removed.

Extended Warranties

Personal property, building components, electronic data processing equipment, telephone equipment or **contractors' equipment** valuation includes the pro rata portion of the original cost based on the period of time remaining in your nonrefundable extended warranties, maintenance contracts or service contracts that you purchased and which are no longer valid on lost or damaged:

- **personal property, electronic data processing equipment** or **telephone equipment**; or
- **building components** consisting of permanently installed or intended to be permanently installed machinery and equipment,

that you repair or replace.



General Provisions

Conditions

THE FOLLOWING CONDITIONS APPLY TO ALL CONTRACTS CONTAINED WITHIN THE PROPERTY/BUSINESS INCOME INSURANCE SECTION OF THIS POLICY, EXCEPT CARE, CUSTODY OR CONTROL LEGAL LIABILITY, OR AS OTHERWISE STATED.

Abandonment

There can be no abandonment of any covered property to us unless we specifically agree to such abandonment in writing.

Appraisal

If you and we do not agree on the amount of the loss or damage, either party may make a written demand for an appraisal of the loss or damage. In this event, you will select and pay a competent and impartial appraiser, and we will select and pay a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either may request that a judge of a court having jurisdiction make the selection. Each appraiser will separately state the value of the property and the amount of the loss or damage. If the appraisers do not agree, they will submit their statements to the umpire. Agreement by the umpire and either of the appraisers will be binding on you and us.

You and we will equally share any other appraisal costs and the costs of the umpire.

If there is an appraisal, we will still retain our right to deny the claim.

Concealment Or Misrepresentation

This insurance is void if you or any other insured intentionally conceals or misrepresents any material fact or circumstance relating to this insurance at any time.

Coverage Territory

This insurance applies anywhere within and **in transit** within and between the Continental United States of America, Canada, the State of Hawaii, Puerto Rico and the territories or possessions of the United States of America or Canada, excluding:

- A. coastwise waterborne shipments to or from Alaska;
- B. intercoastal waterborne shipments via the Panama Canal; and
- C. waterborne shipments to or from:
 - 1. the state of Hawaii;
 - 2. Puerto Rico; and
 - 3. territories or possessions of the United States of America or Canada.

The coverage territory for Dependent Business Premises coverage, Exhibition, Fair or Trade Show coverage and International Air Shipments coverage is worldwide, except it does not include any country where the government of the United States of America prohibits us from providing insurance.

For **contractors' equipment**, Leasehold Interest coverage, Money or Securities coverage or Building Under Construction coverage, the coverage territory is:

- the United States of America and its territories and possessions;
- Canada and its territories and possessions; and
- Puerto Rico.

Conditions*(continued)*

THE FOLLOWING CONDITIONS APPLY TO ALL CONTRACTS CONTAINED WITHIN THE PROPERTY/BUSINESS INCOME INSURANCE SECTION OF THIS POLICY, EXCEPT CARE, CUSTODY OR CONTROL LEGAL LIABILITY, OR AS OTHERWISE STATED.

Insured's Duties In The Event Of Loss Or Damage

You must see to it that the following are done in the event of loss or damage:

- Notify us, or one of our authorized representatives, as soon as possible, as to what occurred. Include a description of the property involved, the time and place of the loss or damage, and names and addresses of available witnesses. If there has been loss or damage that may result in a loss under any Business Income or Extra Expense Insurance, notify us by telephone, telegraph or facsimile at our expense.
- Notify the police if a law may have been broken.
- Take every reasonable step to protect the covered property from further damage, and keep a record of your expenses necessary to protect such covered property for consideration in the settlement of the claim. This will not increase any Limit Of Insurance. However, we will not pay for any subsequent loss or damage resulting from a peril that is not a covered peril. Also, if feasible, set such damaged property aside and in the best possible order for examination.
- If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
- File with us, or with our authorized representative, sworn proof of loss within 90 days after the date of loss or damage.
- Cooperate with us in the investigation, settlement or handling of any claim.
- Authorize us to obtain records or reports necessary for our investigation.
- At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss or damage claimed.
- As often as may be reasonably required, permit us to inspect the property and examine your books and records.
- Permit us to take samples of the damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- Permit us to examine any insured under oath, outside the presence of any other insured at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

Failure of an agent or one of your employees, other than an officer, to notify us of any loss or damage that he knows about will not affect the insurance afforded you by this policy.

Legal Action Against Us

No legal action may be brought against us unless:

- there has been full compliance with all the terms of this insurance; and
- the action is brought within two years after the date on which the direct physical loss or damage occurred.



General Provisions

Conditions

(continued)

THE FOLLOWING CONDITIONS APPLY TO ALL CONTRACTS CONTAINED WITHIN THE PROPERTY/BUSINESS INCOME INSURANCE SECTION OF THIS POLICY, EXCEPT CARE, CUSTODY OR CONTROL LEGAL LIABILITY, OR AS OTHERWISE STATED.

Liberalization

If we adopt any changes:

- within 45 days prior to the effective date shown in the Declarations; or
- during the policy period,

which could broaden this insurance without an additional premium charge, you will automatically receive the benefit of the broadened coverage.

Loss Payable – Other Than Buildings

For covered property (other than **building**), in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will:

- adjust losses with you; and
- pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

Loss Payment

- A. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and:
 1. we have reached agreement with you on the amount of loss; or
 2. an appraisal award has been made.
- B. We will not pay you more than your financial interest in the covered property.
- C. We may adjust losses with the owners of lost or damaged covered property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' covered property. We will not pay the owners more than their financial interest in such property.
- D. We may elect to defend you against suits arising from claims of owners of covered property. We will do this at our expense.

Mortgage Holder – Buildings

We will pay for loss or damage to **building or building or renovations under construction** jointly to you and the mortgage holder shown in the Declarations, as interests may appear.

However, your mortgage holder has the right to receive loss payment, even though:

- you failed to comply with the terms of this insurance; or
- your mortgage holder starts foreclosure or similar actions on the **building or building or renovations under construction**.

If we make loss payments to your mortgage holder when you fail to comply with the terms of this insurance, you will have to pay us to the extent we pay the mortgage holder. Your mortgage holder will still have the right to receive the balance of the mortgage debt from you.

We also have the right to take over your mortgage after making loss payment to the mortgage holder. If we do, you will pay your remaining mortgage debt to us.

Conditions

THE FOLLOWING CONDITIONS APPLY TO ALL CONTRACTS CONTAINED WITHIN THE PROPERTY/BUSINESS INCOME INSURANCE SECTION OF THIS POLICY, EXCEPT CARE, CUSTODY OR CONTROL LEGAL LIABILITY, OR AS OTHERWISE STATED.

**Mortgage Holder –
Buildings
(continued)**

If you fail to pay your premium, we may request it from your mortgage holder.

The mortgage holder must notify us of any change in ownership known to the mortgage holder.

If we cancel this insurance, we will give written notice to the mortgage holder at least:

- 20 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- 60 days before the effective date of cancellation, if we cancel for any other reason.

To satisfy the requirements of any mortgage holder shown in the Declarations, copies of policies or certified copies of policies may be sent to these mortgage holders. In no event are copies of policies sent to mortgage holders to be considered as increasing the Limits Of Insurance shown in the Declarations or changing the terms of this insurance, nor are they to be considered duplicate or contributing insurance.

**No Benefit To Carrier Or
Bailee**

No person or organization, other than you, having custody of covered property will benefit from this insurance.

Other Insurance

If you have other insurance against loss or damage covered by this policy, we shall not pay any amount greater than the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total applicable Limits Of Insurance covering the loss or damage.

For **personal property** that is the subject of a contract of sale, this insurance will apply on a pro rata basis with any other insurance covering such property.

For **money** and **securities**, this insurance is excess of any other insurance for property owned by others that you hold as a pledge or as collateral for a loan.

This insurance is excess of:

- the amount you recover under other insurance for the loss of your interest in **tenant's improvements and betterments** or for the repair or replacement of lost or damaged **tenant's improvements and betterments**; of
- any other insurance covering your interest or the interest of others in property which is **personal property of others** or **personal property of employees**.

Recovered Property

If any lost or damaged covered property is recovered by you or us after a loss payment is made, the party making the recovery must give the other party prompt notice.

If any recovered covered property has a salvage value, we shall control the disposition of such salvage.

When covered property is recovered, you may:

- keep the recovered property and return the loss payment to us; or
- keep the loss payment and we will keep the recovered property.



General Provisions

Conditions

THE FOLLOWING CONDITIONS APPLY TO ALL CONTRACTS CONTAINED WITHIN THE PROPERTY/BUSINESS INCOME INSURANCE SECTION OF THIS POLICY, EXCEPT CARE, CUSTODY OR CONTROL LEGAL LIABILITY, OR AS OTHERWISE STATED.

Recovered Property (continued)

If any recovered property has salvage value or if there is any money recovered through subrogation, we will reimburse you from the amount recovered for:

- the deductible amount that you paid;
- the penalties you paid as a result of Coinsurance or the **personal property** reporting condition of this insurance, if applicable; and
- any uninsured loss or damage resulting from an insufficient Limit Of Insurance.

If there are expenses:

- in recovering any lost or damaged covered property; or
- as a result of subrogation,

we will share the expenses with you in proportion to the amount we are each reimbursed.

When any recovered covered property that you choose to keep is in need of repair, we will pay for the repairs subject to the applicable Limit Of Insurance shown in the Declarations.

Transfer Of Rights Of Recovery To Us

If any person to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair our rights.

You may waive your rights against another party in writing:

- A. prior to direct physical loss or damage to insured property; or
- B. after direct physical loss or damage to insured property only if, at the time of direct physical loss or damage, that party is one of the following:
 1. someone insured by this insurance;
 2. an individual who owns or controls the majority of capital stock of your business;
 3. a related business firm majority-owned or controlled by you, or that owns or controls the majority of the capital stock of your business; or
 4. your tenant.

This will not restrict your insurance.

Definitions**WHEN USED WITH RESPECT TO INSURANCE UNDER THIS POLICY:****Accounts Receivable****Accounts receivable** means:

- the money due you that you are unable to collect from customers;
- interest charges on any loan that you secure to offset your reduced cash flow;
- additional collection costs;
- reasonable expenses to re-establish your **accounts receivable records**; and
- the cost of blank **accounts receivable records**.

Accounts Receivable Records**Accounts receivable records** means accounting records, including support records such as invoices and accounting records on **electronic data processing media**, used to control and document the collection of money due from customers.

Actual Cash Value**Actual cash value** means the cost to repair or replace at the time of loss or damage with material of like kind and quality, less allowance for each of the following:

- physical deterioration;
- physical depreciation;
- obsolescence; and
- depletion.

Building**Building** means:

- a structure;
- **building components**;
- completed additions;
- additions to the structure under construction; and
- alterations and repairs to the structure.

Building does not mean:

- land, water or air, either inside or outside of a structure;
 - paved or concrete surfaces;
 - retaining walls;
 - foundations or supports below the surface of the lowest floor or basement;
 - **outdoor trees, shrubs, plants or lawns**; or
 - any structure you do not own, occupy and are not legally or contractually required to insure.
-



General Provisions

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS POLICY:

Building Components

Building components means:

- glass forming a part of a structure;
- **personal property** consisting of materials, machinery, equipment, supplies and temporary structures used for making additions or repairs to a structure;
- outdoor fixtures;
- outdoor and indoor signs;
- permanently installed fixtures, machinery and equipment; and
- **personal property** used to maintain or service a structure or its premises.

Building Or Renovations Under Construction

Building or renovations under construction means:

- **buildings under construction;** or
- **renovations under construction.**

Building Under Construction

Building under construction means:

- A. a structure in the course of construction; and
- B. the following, if attached to the structure, intended to become a part of the structure, or within 1,000 feet of the premises shown in the Declarations where the structure is under construction:
 1. foundations;
 2. **building components;**
 3. building materials and supplies, including those in your care, custody or control:
 - a. at a job site awaiting and during installation; or
 - b. **in transit** to a job site; and
 4. temporary structures built or assembled on site, including cribbing, scaffolding and construction forms, if not covered by other insurance.

Building under construction does not mean:

- land, water or air, either inside or outside of a structure in the course of construction;
- paved or concrete surfaces;
- retaining walls;
- **outdoor trees, shrubs, plants or lawns;**
- **contractors' equipment;** or
- any structure in the course of construction you do not own, occupy and are not legally or contractually required to insure.